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**Government  
of South Australia**

# **STATE OPERA SOUTH AUSTRALIA**

## **2021-22 Annual Report**

**STATE OPERA SOUTH AUSTRALIA**

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2021-22 ANNUAL REPORT for the State Opera South Australia

To:

The Hon Andrea Michaels MP

Minister for Arts

This annual report will be presented to Parliament to meet the statutory reporting requirements of *State Opera of South Australia Act 1976* and the requirements of Premier and Cabinet Circular *PC013 Annual Reporting*.

This report is verified to be accurate for the purposes of annual reporting to the Parliament of South Australia.

Submitted on behalf of the STATE OPERA SOUTH AUSTRALIA by:

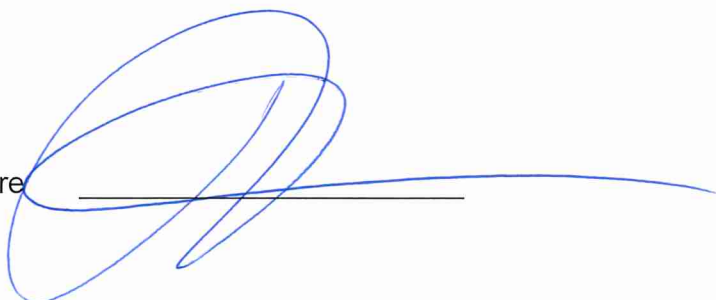
John Irving

Chair and Interim Executive Director

Date

16/9/22

Signature

A handwritten signature in blue ink, consisting of a large, stylized 'J' followed by a horizontal line extending to the right.

## From the Interim Executive Director

State Opera South Australia has managed a relatively stable 12-month period despite the ongoing pandemic volatility, which continues to impact the performing arts industry. We have not been immune to losses and cancellations; however, we believe the Company has avoided long term damage by working cohesively and consistently to the following key principles:

1. **We treat our audiences with respect and honesty.** We have a deep understanding of our contract to deliver to our key stakeholders. We anticipate changes and complications, and we communicate directly, frequently and honestly.
2. **Our artists are the foundation of our business.** We recognise that without them, we have no business. Therefore, wherever we have had to make a cancellation or postponement we have sought to support artists financially.
3. **Capability and capacity have been the cornerstones of our decision-making.** By understanding what we do best, we can create and present excellence. We have created the Australian Opera Digital Library. Our intent is that in the future we will see this as an online legacy of Australian opera in a digital form.

I am exceptionally grateful to work alongside a team at State Opera whose ongoing vision of *more opera for more people* has seen us present live opera in grand theatres (Her Majesty's), boutique performance spaces (Ukaria) and the great outdoors (Glenelg Beach).

The Board of Directors have most ably guided the finance, governance and strategic direction of the company and we have been inspired by the conviction, quality and energy of State Opera's Artistic Director Stuart Maunder and all of the staff. I am very confident that the future for State Opera will be bright.



John Irving

**Interim Executive Director**

State Opera South Australia

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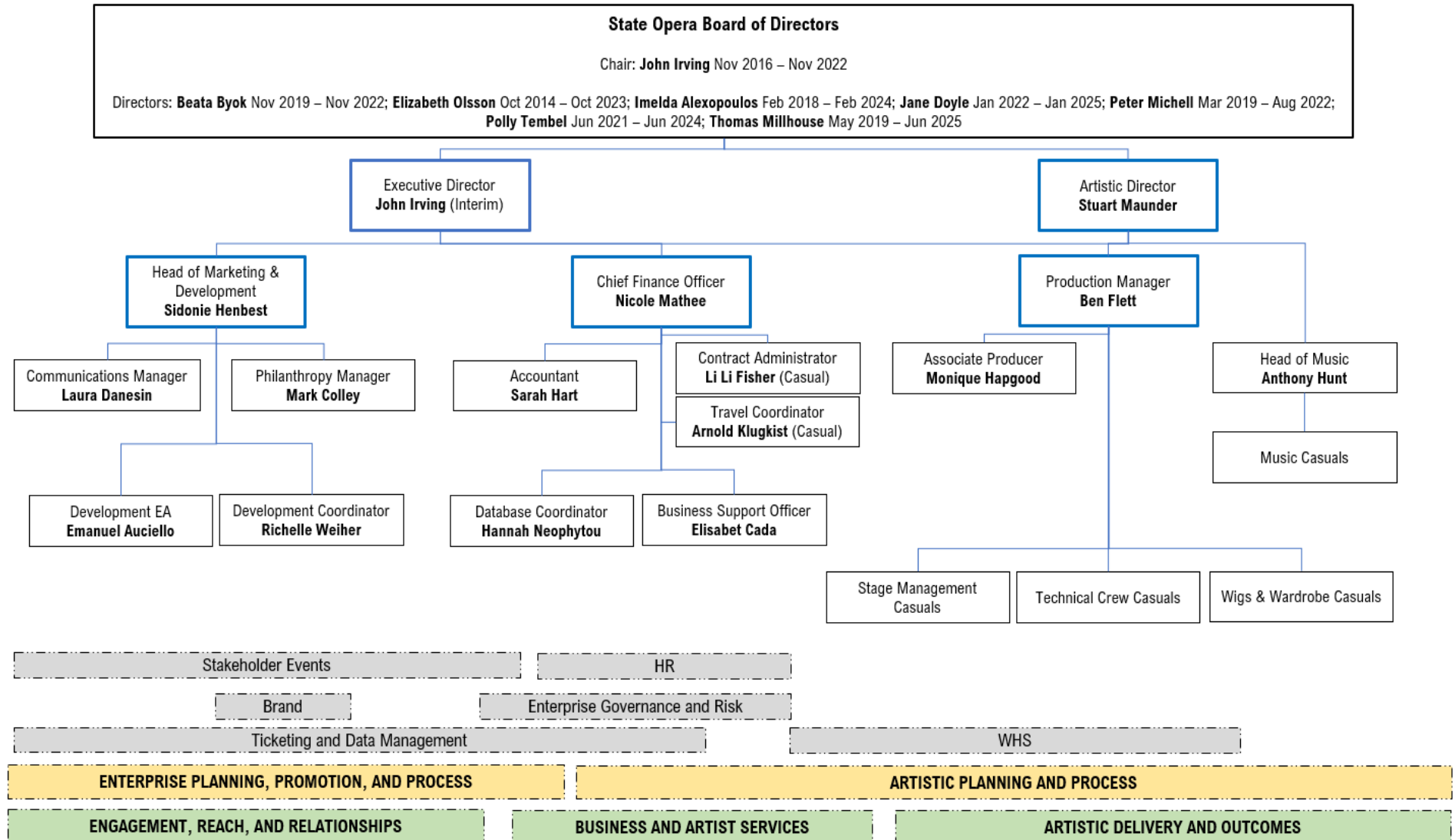
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## Overview: about the agency

### Our strategic focus

<b>Our Purpose</b>	To give everyone a chance to feel the visceral, physical, and emotional power that only the combination of music, drama, movement, and spectacle that is found in the all-encompassing artform of opera can deliver.
<b>Our Vision</b>	More opera for more people – <i>in new and different ways</i>
<b>Our Mission</b>	By expanding the reach, relevance, impact and recognition of the operatic artform to new and diverse audiences, State Opera South Australia will be an exceptional cultural service to the State of South Australia.
<b>Our Values</b>	<p>Craftsmanship – the quality of the process reflects the outcome</p> <p>Integrity – in programming, with colleagues, and across the industry</p> <p>Nimbleness – staying flexible and aware</p> <p>Distinctiveness – hold onto our individuality</p>
<b>Our functions, objectives and deliverables</b>	<p>Support the development of great art</p> <p>Creating pathways for artists and the sector</p> <p>Engage with audiences</p> <p>Contribute to a vibrant culture</p>

## Our organisational structure



## **Changes to the agency**

During 2021-22 there were no changes to the agency's structure and objectives as a result of internal reviews or machinery of government changes.

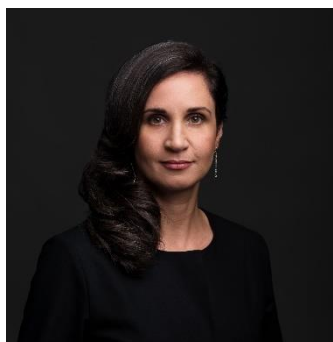
## **Our Minister**

The Hon Andrea Michaels MP is the Minister for Arts.

## **Our Executive team**



John Irving is the Interim Executive Director between June - September 2022, responsible for day-to-day operations of the State Opera of South Australia (SOSA).



Yarmila Alfonzetti was the Executive Director until the end of May 2022, responsible for the overall strategy and operations of the State Opera of South Australia (SOSA), particularly in the areas of finance, human resources, and development.



Stuart Maunder AM is the Artistic Director, responsible for the artistic curation of an annual program for SOSA, including directing several artistic productions each year.

## **Legislation administered by the agency**

*State Opera of South Australia Act 1976*



## The agency's performance

### Performance at a glance

State Opera's performance for 2021-22 was aimed at a strong post COVID return and commitment to engaging with new and existing audiences in creative ways. The Company invested in its audience with shows, of different sizes and in unique settings, resulting in a loss of \$321k, subsidised by reserves.

Performance and Activity Indicators	2021-22 Target	2021-22 Actual
Amount of revenue received, external to State Government	\$3.3m	\$4.5m
As a percentage of total revenue	68%	75%
Total no. of attendances achieved by:		
➤ Paid seats at performances	10,200	12,991
➤ Unpaid attendances	1,800	916
A significant bequest, RISE fund grant and other sponsorship opportunities accounted for the significant increase in revenue received.		

To deliver “*more opera for more people – in new and different ways*”, the Company took the artform to the people of South Australia and beyond. As well as the usual venues of the Festival Theatre and Her Majesty's Theatre in Adelaide's CBD and Ukaria Cultural Centre in Mount Barker, State Opera also ventured to:

#### **Z-Ward, Glenside:** *Tell-Tale Heart*

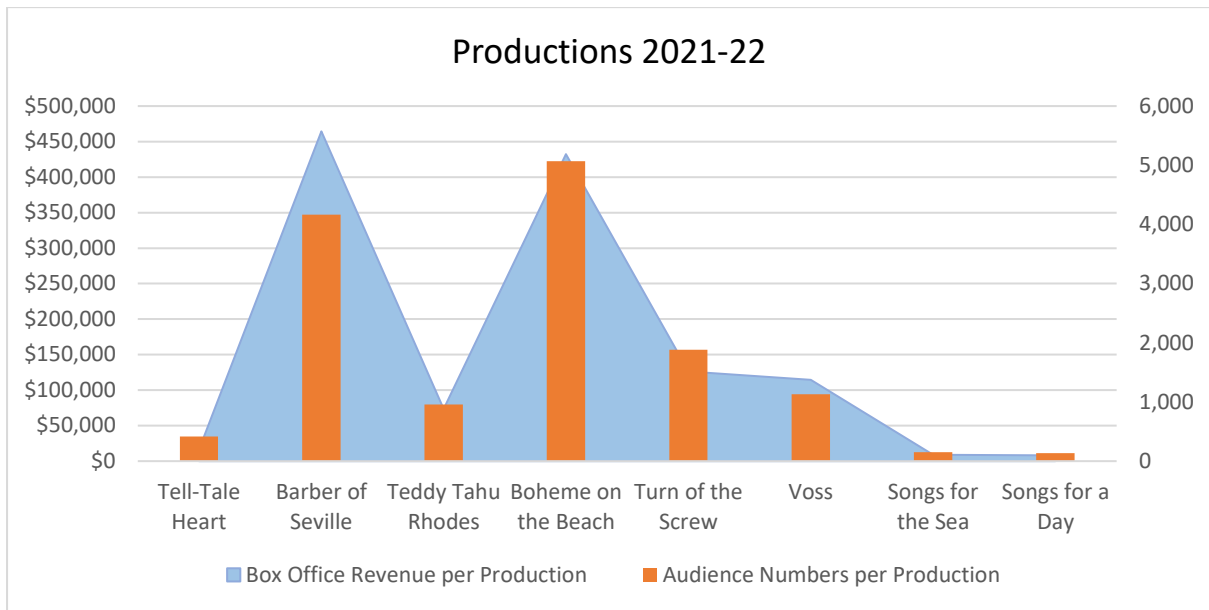
**Glam Adelaide [review](#) – 5 stars** “*Z Ward is the perfect setting for this gothic horror story for tenor and orchestra. Bold choices demand recognition... another really great idea that sees new life breathed into some very interesting works that we don't get to see very often. Bravo!*”

#### **Glenelg beach:** *La Bohème*

**InDaily [review](#)** “*It's not often you get someone sweeping a path before you as proceed to your seat for an opera performance. There's an air of regal treatment in that, but Bohème on the Beach was an egalitarian affair, and a lot of fun to boot... may well lead to a broader interest in future State Opera productions.*”

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The following depicts box office and audience successes for the year that's been:



The Board of State Opera continues to represent the Company's value of craftsmanship in their governance and the following confirms their commitment:

Board Member	Director Meetings		Risk and Performance Committee	
	Attended	Held*	Attended	Held*
John Irving (Chair)	6	7	4	4
Beata Byok	7	7	4	4
Elizabeth Olsson	7	7	3	4
Imelda Alexopoulos	7	7	4	4
Jane Doyle	4	4	-	-
Peter Michell	7	7	2	2
Polly Tembel	6	7	2	2
Thomas Millhouse*	5	5	3	4

\* Reflects the number of meetings held during the time the Director held office during the year.

## Agency contribution to whole of Government objectives

The Executive and Artistic Directors make ongoing contributions and requests for information from Live Performance Australia, Arts SA, the Australia Council, Media, Entertainment & Arts Alliance, Australian Major Performing Arts Group and many others contributing to whole of Government objectives.

### Agency's contribution

- The State Opera Strategic Plan demonstrates sector leadership and grows the profile of Australian art and artists. By significantly increasing the volume of programming with both mainstage and niche repertoire, the employment of South Australians on the opera stage by SOSA has been widely acknowledged. SOSA is a major employer of creatives in this state, including directors, designers, lighting designers, and numerous backstage and artist support personnel. SOSA continues to engage additional services over and above the annual Service Level Agreement from its partner, the Adelaide Symphony Orchestra for which it pays a fee. SOSA is also contributing funds to support creative developments, new commissions, training opportunities (e.g. lessons and masterclasses) thereby also supporting performing arts teachers. The Company embraced flexible workplace practices so that staff can adjust their place of work in aid of a more balanced and supportive work life.
- State Opera has streamlined systems and processes to deliver more opera for more people at a lower cost. This has been achieved by implementing a Customer Relationship Management System to track data and manage patron expenditure, switching from MYOB to Xero, utilising tools such as Airtable and Deputy, and scheduling analysis opportunities for overheads, revenue, etc. Further to this ongoing work, State Opera is actively investigating ways to reduce overheads over time, including the decommissioning of the Lonsdale storage facility and the divesting of stored set and production materials.
- State Opera has continued to increase its capability in providing better service to customers and to our artists - maximising our use of Ticketek ticketing and box office services has created efficiencies for ticket buyers as well as clearer and more accurate online transactions. Artists are now provided with modern contracts which include clarity about their award entitlements, and contracts continue to be issued and managed electronically via DocuSign so that records and confidential finance information can be stored securely.

## Agency specific objectives and performance

*Note that as a national performing arts company, State Opera's key goals and objectives are specified on a calendar year basis.*

Mechanism	Measure	Calendar Year 2022	Status Comments
<b>Priority 1: Address diversity areas outlined in the Partnership Framework, with particular reference to artists, key creatives, programming &amp; audiences.</b>			
Create and honour the first Diversity and Inclusion Policy and Action Plan for State Opera.	100% of annual Action Plan items addressed each year.	All 2022 actions in the Action Plan delivered.	Expected to achieve
State Opera ARTIST selection and employment - State Opera employs artists based on quality and fit-for-role without bias to individual background.	100% of employed artists and Academy participant emerging artists will be aggregated to measure at least 5% artists from CALD backgrounds.	At least 5% of all singers employed are from CALD backgrounds.	Achieved, at least 10% CALD
State Opera KEY CREATIVES selection and employment - State Opera looks to diverse makers and storytellers for their perspective.	1. At least two (2) productions per annum feature at least one female creative. 2. At least one (1) production per annum features a creative from either a CALD or First Nations background.	At least 2 productions include at least 1 key creative from the identified groups.	<i>La Bohème &amp; Love Burns Tour</i> – Designer: Simone Romaniuk (CALD)  <i>Turn of the Screw &amp; Voss</i> – Lighting designer: Trudy Dalglish  Voss – Cultural advisor: Rod O'Brien (First Nations)  <i>How to kill your husband</i> – Designer: Kathryn Sproul; Director: Nescha Jelk (CALD)  <i>La Traviata</i> – Director: Sarah

			Giles; Conductor Oliver von Dohnányi (CALD)
State Opera has a diverse AUDIENCE.	At least 100 school students per annum see an opera.	At least 100 tickets for young audiences.	250+ tickets for young audiences
<b>Priority 2: Commission, develop and present new Australian works that reflect contemporary Australia, within the context of a balanced artistic program.</b>			
State Opera COMMISSIONS new Australian work	Commission, or partner in a new commission, of at least one (1) new Australian work every two (2) years.		Watershed – George Duncan Project creative development with Adelaide Festival.  Ongoing development for <i>When the Rain Stops Falling</i>
State Opera DEVELOPS new Australian work	Develop, and manage development workshops, of at least one (1) new Australian work every two (2) years.	At least 1 workshop development.	<i>When the Rain Stops Falling</i> (Orchestration and Vocal Lines)
State Opera PRESENTS new Australian work	Present at least one (1) new Australian work every two (2) years.	At least 1 new Australian work.	<i>Watershed – George Duncan Project</i>
State Opera SUPPORTS Australian work	At least 30% of the annual performance program is Australian work (new and extant).	At least 3 Australian works presented and/or where the presentation is supported by SOSA.	<i>Watershed, Voss, Love Burns Tour, How to kill your husband</i>

State Opera will create and manage the new DIGITAL LIBRARY OF AUSTRALIAN OPERA	At least three (3) full production videos of Australian operas plus supporting material (incl. images, program notes, interviews, historic information, etc.) added to the Library per annum.	At least 3 productions added to Digital Library per annum.	Added: <i>Watershed and Voss</i>  To be added in 2022: <i>Love Burns</i> (toured version)
<b>Priority 3: Build capacity in the South Australian sector. Collaborate with Partnership organisations and those outside the Framework. Demonstrate leadership on sector specific concerns.</b>			
State Opera champions the employment of South Australian opera singers (CAPACITY BUILDING and SECTOR SPECIFIC ISSUE)	At least 50% of singers employed per annum in mainstage productions are South Australian.	At least 50%	Achieved, over 75%
State Opera partners with South Australian arts companies on new projects (PARTNERSHIPS)	At least one (1) project per annum in partnership.	At least 1	<i>George Duncan Project</i> with: Adelaide Festival, Feast Festival, Adelaide Chamber Singers  <i>How to kill your husband</i> with Cabaret Festival  Voss with Victorian Opera  <i>When the Rain Stops Falling</i> with Brink

			<i>La Traviata</i> with Opera Queensland and Western Australia Opera
State Opera delivers significant engagement / employment of South Australian musicians (CAPACITY BUILDING)	1. At least three (3) productions per annum with the Adelaide Symphony Orchestra 2. At least two (2) productions per annum with South Australian freelance musicians.	At least 3 productions with ASO; at least 2 productions with freelance musicians.	ASO: <i>La Bohème</i> , <i>Voss</i> , <i>Turn of the Screw</i> , <i>La Traviata</i> , <i>Musical Gala</i>  Freelance: 3 x <i>recitals</i> , <i>Love Burns Tour</i> , <i>How to kill your husband</i>
<b>Priority 4: Present work that increases access and broadens audiences through specialist repertoire.</b>			
Proactively offer product that will attract NEW AUDIENCES	At least 20% new ticket buyers (new audiences) to a State Opera production per annum.	At least 20%	Achieved, with multiple productions exceeding 50% new audiences
Embed Australian repertoire within the annual program offering (SPECIALIST REPERTOIRE)	Present at least two (2) Australian operatic works per annum	At least 2	<i>Watershed</i> , <i>Voss</i> , <i>Love Burns Tour</i> , <i>How to kill your husband</i>
Create and deliver unique product that is appealing to intra- and inter-state tourists (BROADEN AUDIENCE)	At least one (1) occasion / opportunity per annum designed specifically for intra and/or interstate travellers.	At least 1	<i>La Bohème</i> outdoor production, <i>Voss</i> , <i>Turn of the Screw</i> ; <i>La Traviata</i> , <i>Love Burns Tour</i> ; <i>How to kill your husband</i> cabaret festival
Program works outside the repertoire canon	Program at least one (1) opera per annum which has not been	At least 1	<i>Voss</i> , <i>Turn of the Screw</i> , <i>How to kill your husband</i>

(SPECIALIST REPERTOIRE)	seen for 10 years or more in Australia.		
<b>Priority 5: Develop pathways for Australian opera singers to build sustainable careers.</b>			
Annual National Summer Opera Academy for pre-professional emerging artist training program (PATHWAYS)	At least 20% growth in applications per annum demonstrating improvement in training and work opportunities.	At least 60 applicants per annum; at least 12 accepted into program.	Program deferred to 2023, expected to achieve
Prioritise employment of Australian singers across all program areas (SUSTAINABLE CAREERS)	At least 20 different individual Australian singers employed per annum, and at least 80% of total cohort of employed singers per annum are Australian.	At least 20 individual Australian singers and at least 80% of overall singers employed by State Opera per annum are Australian.	+100 Australian singers, +95% overall

### Corporate performance summary

**1. Investment in staff:** SOSA staff have continued to participate in professional development programs throughout the year, including working with mentors, attendance at conferences and professional networking events, and separate whole team and senior management development sessions with Leed Consulting. The Chief Financial Officer successfully completed the Australian Institute of Company Directors Course and related assessments supported by State Opera.

**2. Sustainable staff structure:** Last year, the Executive implemented several new roles, reporting lines, and work practices to ensure a high-performing, sustainable human resource function for the organisation. Most roles have been filled in 2022.

**3. Staff policies:** SOSA continues to focus on ensuring the organisation has a suite of fit-for-purpose up-to-date formal policies by categorising all policies within the Company's register.



**4. State Opera home:** The Board and Management of State Opera continues the search for a future home for the Company post June 2024 when the current lease on the Netley Opera Studio will expire. State Opera sees this as an opportunity for an expansion of our remit into the possible management of a public performance space, and a renewed focus on brand and visibility by moving to a prominent location within Adelaide. The Company also sees this as an opportunity to partner with other arts companies in a shared space. Discussions are ongoing with Government, State Theatre Company South Australia and Australian Dance Theatre.

#### Employment opportunity programs

Program name	Performance
Secondary & Tertiary Work Experience and Internships	State Opera regularly accepts and incorporates secondary and tertiary students into the administration team offering exceptional firsthand opportunities to learn about the performing arts and an arts management career.
Surtitled Operators	State Opera has selected a number of senior tertiary music students from the Elder Conservatorium to mentor and train as surtitled operators. These emerging professionals were given paid engagements at all main stage productions during the year. This program is supported by the Diana Ramsay Fund.

#### Agency performance management and development systems

Performance management and development system	Performance
Biannual Performance Management and Development Sessions with all full-time, part-time, and casual staff	100% of applicable staff completed at least one Performance Management and Development review where their employment term exceeded 12 months.
Annual Board review of Director KPIs	Informally done in Q4.

**Work health, safety and return to work programs**

<b>Program name</b>	<b>Performance</b>
Inductions for all new staff members	Inductions completed for all new office employees; volunteers; and artistic performers.
Online WHS training	100% completion rate of all mandatory WHS e-learning courses across the organisation.
COVID workplace management plan	Created and delivered to manage working from home, return to work, ergonomic assessments and mental health support.
Fire Warden training and evacuations	Fire wardens attended training. Whole-of-precinct fire evacuation drill successfully undertaken.
Self-audit program	Self-audit undertaken on WHS risks in conjunction with DPC WHS Consultant. A few corrective actions closed out. Agency is on track to meet all items on WHS Activity Planner.
WHS & IM Management System	Developed and maintained by the Department of the Premier and Cabinet and used by agency.

<b>Workplace injury claims</b>	<b>Current year 2021-22</b>	<b>Past year 2020-21</b>	<b>% Change (+ / -)</b>
Total new workplace injury claims	0	1	-100%
Fatalities	0	0	0%
Seriously injured workers*	0	0	0%
Significant injuries (where lost time exceeds a working week, expressed as frequency rate per 1000 FTE)	0	0	0%

*\*number of claimants assessed during the reporting period as having a whole person impairment of 30% or more under the Return to Work Act 2014 (Part 2 Division 5)*

<b>Work health and safety regulations</b>	<b>Current year 2021-22</b>	<b>Past year 2020-21</b>	<b>% Change (+ / -)</b>
Number of notifiable incidents ( <i>Work Health and Safety Act 2012, Part 3</i> )	0	0	0%
Number of provisional improvement, improvement and prohibition notices ( <i>Work Health and Safety Act 2012 Sections 90, 191 and 195</i> )	0	0	0%

<b>Return to work costs**</b>	<b>Current year 2021-22</b>	<b>Past year 2020-21</b>	<b>% Change (+ / -)</b>
Total gross workers compensation expenditure (\$)	\$3,621	\$128,165	-97%
Income support payments – gross (\$)	\$0	\$0	0%

\*\*before third party recovery

Data for previous years is available at: [State Opera South Australia WHS Reporting 2018-2022 - Dataset - data.sa.gov.au](https://data.sa.gov.au/dataset/state-opera-south-australia-whs-reporting-2018-2022)

### Executive employment in the agency

<b>Executive classification</b>	<b>Number of executives</b>
Executive Director / CEO	1

Data for previous years is available at: [State Opera South Australia Executive Employment 2012-2022 - Dataset - data.sa.gov.au](https://data.sa.gov.au/dataset/state-opera-south-australia-executive-employment-2012-2022)

The [Office of the Commissioner for Public Sector Employment](#) has a [workforce information](#) page that provides further information on the breakdown of executive gender, salary and tenure by agency.

## Financial performance

### Financial performance at a glance

The following is a brief summary of the overall financial position of the agency. The information is unaudited. Full audited financial statements for 2021-2022 are attached to this report.

Statement of Comprehensive Income	2021-22 Budget \$000s	2021-22 Actual \$000s	Variation \$000s	Past year 2020-21 Actual \$000s
Total Income	5,693	6,031	338	4,550
Total Expenses	5,622	6,352	730	3,846
<b>Net Result</b>	<b>71</b>	<b>(321)</b>	<b>(392)</b>	<b>704</b>
<b>Total Comprehensive Result</b>	<b>71</b>	<b>(321)</b>	<b>(392)</b>	<b>704</b>

Statement of Financial Position	2021-22 Budget \$000s	2021-22 Actual \$000s	Variation \$000s	Past year 2020-21 Actual \$000s
Current assets	2,829	3,552	723	3,317
Non-current assets	60	977	917	704
<b>Total assets</b>	<b>2,889</b>	<b>4,529</b>	<b>1,640</b>	<b>4,021</b>
Current liabilities	203	2,266	2,063	1,500
Non-current liabilities	1,218	84	(1,134)	21
<b>Total liabilities</b>	<b>1,421</b>	<b>2,350</b>	<b>929</b>	<b>1,521</b>
<b>Net assets</b>	<b>1,468</b>	<b>2,179</b>	<b>711</b>	<b>2,500</b>
<b>Equity</b>	<b>1,468</b>	<b>2,179</b>	<b>711</b>	<b>2,500</b>

### Consultants disclosure

The following is a summary of external consultants that have been engaged by the agency, the nature of work undertaken, and the actual payments made for the work undertaken during the financial year.

#### Consultancies with a contract value below \$10,000 each

Consultancies	Purpose	\$ Actual payment
All consultancies below \$10,000 each - combined	Various	\$6,578

**Consultancies with a contract value above \$10,000 each**

<b>Consultancies</b>	<b>Purpose</b>	<b>\$ Actual payment</b>
MAPN Consulting	Philanthropic expert advice	\$13,200
Beaumont Consulting	Recruitment expertise	\$25,168
AEGEUS Executive Group	Recruitment expertise	\$10,000
	<b>Total</b>	<b>\$48,368</b>

Data for previous years is available at: [State Opera South Australia Consultants 2012-2022 - Dataset - data.sa.gov.au](#)

See also the [Consolidated Financial Report of the Department of Treasury and Finance](#) for total value of consultancy contracts across the South Australian Public Sector.

**Contractors disclosure**

The following is a summary of external contractors that have been engaged by the agency, the nature of work undertaken, and the actual payments made for work undertaken during the financial year.

**Contractors with a contract value below \$10,000**

<b>Contractors</b>	<b>Purpose</b>	<b>\$ Actual payment</b>
below \$10,000 each	Various	\$199,331
above \$10,000 each	Creative Artists/Performers	\$687,030
	<b>Total</b>	<b>\$886,361</b>

Data for previous years is available at: [State Opera South Australia Contractors 2018-2022 - Dataset - data.sa.gov.au](#)

The details of South Australian Government-awarded contracts for goods, services, and works are displayed on the SA Tenders and Contracts website. [View the agency list of contracts.](#)

The website also provides details of [across government contracts.](#)

## Risk management

### Risk and audit at a glance

The Risk and Performance Committee (R&P Committee), a sub-committee of the Board of State Opera, continues to meet regularly to assess whole-of-organisational risks, opportunities which require financial authority, and future strategies where an oversight of performance, human resources and WHS may be important. Key priorities for this group include the effective oversight of policies and procedures, management controls, risk management matrices and independent assurance. The Committee has an essential role in overseeing these activities and monitoring changes in the industry and community in which our organisation operates.

The operating principles of the R&P Committee include SOSA aligning to the following actions:

- Strive for excellence, prioritising the community it serves.
  - The Executive Team is responsible for effective management of SOSA, which involves ensuring the principles and objects of the *Public Sector Act 2009* and the Code of Ethics are advanced and observed in the management and day-to-day operations of the agency; this includes agency culture; and
  - The Executive Director and Artistic Director have a duty to manage risk as a key mechanism for ensuring good performance in delivering the agency's strategic objectives.

The R&P Committee also establishes and monitors governance standards, including:

- That the Executive Director must establish and maintain effective policies, procedures and systems for the identification, assessment, monitoring, management and annual review of financial risks; and

That broader drivers of risk need to be considered, namely performance, people and culture, and reputation.

### Fraud detected in the agency

Category/nature of fraud	Number of instances
Nil	Nil

NB: Fraud reported includes actual and reasonably suspected incidents of fraud.

## Strategies implemented to control and prevent fraud

No material new formal strategies were implemented to control and prevent fraud during 2021-2022.

State Opera has a *Fraud and Corruption Prevention Policy and Strategy* in place, supported by the following related controls:

### Policies/frameworks

- Delegations of Authority
- Discretionary Expenditure
- Credit Card Use
- Privacy Statement
- Procurement Policy Framework

### Processes

- Approval of invoices and electronic payments
- Maintaining and reporting financial records and results
- Cash handling, banking and holding cash onsite
- Charity and Community Requests
- Complimentary Tickets

### South Australian state government policies/instructions

- Code of Ethics
- *Public Interest Disclosure Act 2018*

Data for previous years is available at: [State Opera South Australia Fraud Detected 2012-2022 - Dataset - data.sa.gov.au](https://data.sa.gov.au/dataset/state-opera-south-australia-fraud-detected-2012-2022)

## Public interest disclosure

Number of occasions on which public interest information has been disclosed to a responsible officer of the agency under the *Public Interest Disclosure Act 2018*:

0

Data for previous years is available at: [State Opera South Australia Whistleblowers Disclosure 2012-2022 - Dataset - data.sa.gov.au](https://data.sa.gov.au/dataset/state-opera-south-australia-whistleblowers-disclosure-2012-2022)

Note: Disclosure of public interest information was previously reported under the *Whistleblowers Protection Act 1993* and repealed by the *Public Interest Disclosure Act 2018* on 1/7/2019.

## Reporting required under any other act or regulation

Act or Regulation	Requirement
Nil	Nil



## Public complaints

### Number of public complaints reported

Complaint categories	Sub-categories	Example	Number of Complaints 2021-22
Professional behaviour	Staff attitude	Failure to demonstrate values such as empathy, respect, fairness, courtesy, extra mile; cultural competency	0
Professional behaviour	Staff competency	Failure to action service request; poorly informed decisions; incorrect or incomplete service provided	0
Professional behaviour	Staff knowledge	Lack of service specific knowledge; incomplete or out-of-date knowledge	0
Communication	Communication quality	Inadequate, delayed or absent communication with customer	6
Communication	Confidentiality	Customer's confidentiality or privacy not respected; information shared incorrectly	0
Service delivery	Systems/technology	System offline; inaccessible to customer; incorrect result/information provided; poor system design	0
Service delivery	Access to services	Service difficult to find; location poor; facilities/ environment poor standard; not accessible to customers with disabilities	0
Service delivery	Process	Processing error; incorrect process used; delay in processing application; process not customer responsive	0
Policy	Policy application	Incorrect policy interpretation; incorrect policy applied; conflicting policy advice given	0
Policy	Policy content	Policy content difficult to understand; policy unreasonable or disadvantages customer	1

Complaint categories	Sub-categories	Example	Number of Complaints 2021-22
Service quality	Information	Incorrect, incomplete, outdated or inadequate information; not fit for purpose	5
Service quality	Access to information	Information difficult to understand, hard to find or difficult to use; not plain English	0
Service quality	Timeliness	Lack of staff punctuality; excessive waiting times (outside of service standard); timelines not met	0
Service quality	Safety	Maintenance; personal or family safety; duty of care not shown; poor security service/ premises; poor cleanliness	2
Service quality	Service responsiveness	Service design doesn't meet customer needs; poor service fit with customer expectations	1
No case to answer	No case to answer	Third party; customer misunderstanding; redirected to another agency; insufficient information to investigate	7
		<b>Total</b>	<b>22</b>

Additional Metrics	Total
Number of positive feedback comments	45
Number of negative feedback comments	22
Total number of feedback comments	67
% complaints resolved within policy timeframes	100%

Data for previous years is available at: [State Opera South Australia Additional Metrics - Dataset - data.sa.gov.au](https://data.sa.gov.au/dataset/state-opera-south-australia-additional-metrics)

## Service Improvements

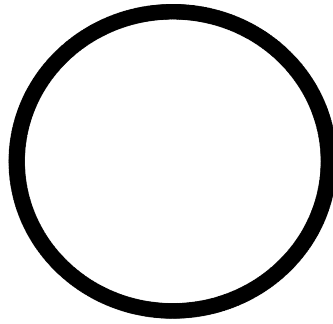
In line with PC039- *Complaint Management in the South Australian Public Sector*, State Opera continues to assess and monitor the performance of the Company's Complaint Management System. No changes were made for the year.

## Compliance Statement

State Opera South Australia is compliant with Premier and Cabinet Circular 039 – complaint management in the South Australian public sector	Y
State Opera South Australia has communicated the content of PC 039 and the agency's related complaints policies and procedures to employees.	Y

## **Appendix: Audited financial statements 2021-22**

OFFICIAL



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STATE OPERA  
SOUTH AUSTRALIA

ABN 31 382 679 566

# STATE OPERA OF SOUTH AUSTRALIA

**Financial Statements  
for the year ended  
30 June 2022**

STATE OPERA OF SOUTH AUSTRALIA  
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**STATE OPERA OF SOUTH AUSTRALIA  
CERTIFICATION OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 June 2022**

We certify that the financial statements for the State Opera of South Australia :

- are in accordance with the accounts and records of the Company;
- comply with relevant Treasurer's Instructions issued,
- comply with relevant accounting standards; and
- present a true and fair view of the financial position of the Company at the end of the financial year and the result of its operations and cash flows for the financial year.

We certify that the internal controls employed by the State Opera of South Australia for the financial year over its financial reporting and its preparation of financial statements have been effective.

Date 23 September 2022



John Irving  
Interim Executive Director, and  
Chair Board of Management



Nicole Mathee  
Chief Financial Officer

## STATE OPERA OF SOUTH AUSTRALIA

## STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2022

	Note	2022 \$'000	2021 \$'000
<b>Income</b>			
Revenues from SA Government	2.1	1,535	1,537
Commonwealth-sourced grants and funding	2.2	2,072	1,607
SA Government grants, subsidies and transfers	2.3	5	2
Sales of goods and services	2.4	1,419	874
Interest and dividends	2.5	33	19
Net changes in fair value of investments (FVTPL)		(26)	97
Resources received free of charge	2.6	5	5
Other income	2.7	988	409
<b>Total income</b>		<b>6,031</b>	<b>4,550</b>
<b>Expenses</b>			
Employee benefits expenses	3.3	1,962	1,412
Supplies and services	4.1	4,277	2,328
Depreciation and amortisation	4.2	34	29
Other expenses	4.3	-	1
<b>Total expenses</b>		<b>6,273</b>	<b>3,770</b>
<b>Net result from operations</b>		<b>(242)</b>	<b>780</b>
Share of results of associates	4.4	(79)	(76)
<b>Net result for the period</b>		<b>(321)</b>	<b>704</b>
<b>Total comprehensive result</b>		<b>(321)</b>	<b>704</b>

The accompanying notes form part of these financial statements. The net result and total comprehensive result are attributable to the SA Government as owner.



## STATE OPERA OF SOUTH AUSTRALIA

## STATEMENT OF FINANCIAL POSITION

as at 30 June 2022

	Note	2022 \$'000	2021 \$'000
<b>Current assets</b>			
Cash and cash equivalents	6.2	2,926	2,783
Receivables	6.3	626	534
<b>Total current assets</b>		<b>3,552</b>	<b>3,317</b>
<b>Non-current assets</b>			
Other financial assets	6.4	432	454
Investments in associates	6.5	215	142
Property, plant and equipment	5.1	69	86
Intangible assets	5.2	72	22
Receivables	6.3	189	-
<b>Total non-current assets</b>		<b>977</b>	<b>704</b>
<b>Total assets</b>		<b>4,529</b>	<b>4,021</b>
<b>Current liabilities</b>			
Payables	7.2	180	301
Contract liabilities	7.3	1,959	1,091
Employee benefits liabilities	3.4	103	105
Provisions	7.4	24	3
<b>Total current liabilities</b>		<b>2,266</b>	<b>1,500</b>
<b>Non-current liabilities</b>			
Employee benefits liabilities	3.4	14	14
Provisions	7.4	70	7
<b>Total non-current liabilities</b>		<b>84</b>	<b>21</b>
<b>Total liabilities</b>		<b>2,350</b>	<b>1,521</b>
<b>Net Assets</b>		<b>2,179</b>	<b>2,500</b>
<b>Equity</b>			
Reserves	8.1	1,639	1,353
Retained earnings	8.1	540	1,147
<b>Total Equity</b>		<b>2,179</b>	<b>2,500</b>

The accompanying notes form part of these financial statements. The total equity is attributable to the SA Government as owner.

## STATE OPERA OF SOUTH AUSTRALIA

**STATEMENT OF CHANGES IN EQUITY**

For the year ended 30 June 2022

	Reserves Incentive Scheme Funds Reserve	Trust Funds Reserves	Future Productions Reserve	Significant Bequests Reserve	Accumulated Surplus	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 30 June 2020	237	1,002	-	-	557	1,796
Total comprehensive result for 2020-21	-	-	-	-	704	704
Transfer between equity components	-	114	-	-	(114)	-
<b>Balance at 30 June 2021</b>	<b>237</b>	<b>1,116</b>	<b>-</b>	<b>-</b>	<b>1,147</b>	<b>2,500</b>
Total comprehensive result for 2021-22	-	-	-	-	(321)	(321)
Transfer between equity components	76	(66)	-	276	(286)	-
<b>Balance at 30 June 2022</b>	<b>313</b>	<b>1,050</b>	<b>-</b>	<b>276</b>	<b>540</b>	<b>2,179</b>

The accompanying notes form part of these financial statements. All changes in equity are attributable to the SA Government as owner.

## STATE OPERA OF SOUTH AUSTRALIA

**STATEMENT OF CASH FLOWS**

For the year ended 30 June 2022

	<b>Note No.</b>	<b>2022 \$'000</b>	<b>2021 \$'000</b>
<b>Cash inflows</b>			
Revenues from SA Government		1,635	1,537
Commonwealth-sourced grants and funding		2,920	1,782
SA Government grants, subsidies and transfers		5	2
Box office and production		1,420	626
Sponsorship and donations		796	359
Interest received		5	4
Dividends received		23	15
GST recovered from the ATO	8.2	166	62
Other receipts		78	96
<b>Cash generated from operations</b>		<b>7,048</b>	<b>4,483</b>
<b>Cash outflows</b>			
Employee benefits payments		(1,881)	(1,395)
Payments for supplies and services		(4,828)	(2,511)
Other payments		-	-
<b>Cash used in operations</b>		<b>(6,709)</b>	<b>(3,906)</b>
<b>Net cash provided by/(used in) operating activities</b>		<b>339</b>	<b>577</b>
<b>Cash outflows</b>			
Purchase of property, plant and equipment		(8)	(42)
Purchase of intangibles		(37)	-
Contribution towards The Opera Conference		(151)	-
<b>Cash used in investing activities</b>		<b>(196)</b>	<b>(42)</b>
<b>Net cash provided by/(used in) investing activities</b>		<b>(196)</b>	<b>(42)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>143</b>	<b>535</b>
Cash and cash equivalents at the beginning of the period		2,783	2,248
<b>Cash and cash equivalents at the end of the period</b>	6.2	<b>2,926</b>	<b>2,783</b>

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

## STATE OPERA OF SOUTH AUSTRALIA

NOTES TO & FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING 30 June 2022**1 About the State Opera of South Australia**

State Opera of South Australia (the Company) is a not-for-profit entity in the State of South Australia. The Company is a statutory authority established pursuant to the *State Opera of South Australia Act 1976* and acts on behalf of the Crown.

The Company does not control any other entity and has no interests in unconsolidated structured entities. The financial statements and accompanying notes include all the controlled activities of the Company.

**1.1 Basis of preparation**

The financial statements are general purpose financial statements prepared in compliance with:

- section 23 of the *Public Finance and Audit Act 1987*;
- Treasurer's Instructions and Accounting Policy Statements issued by the Treasurer under the *Public Finance and Audit Act 1987*; and
- relevant Australian Accounting Standards with reduced disclosure requirements.

The financial statements are prepared based on a 12 month reporting period and presented in Australian currency. The historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured.

Income, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods or services is not recoverable from the Australian Taxation Office, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item applicable; and
- receivables and payables, which are stated with the amount of GST included.

Assets and liabilities that are to be sold, consumed or realised as part of the normal operating cycle have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

**1.2 Objectives**

The objective of the Company is to serve the Government and the people of South Australia by achieving excellence in the provision of operatic productions to the general public. The Company's main objectives are to:

- Present, produce, manage and conduct theatrical and operatic performances of any kind as may in its opinion tend to promote the art of the opera and related theatrical arts;
- Promote the training of all persons concerned in the production, presentation or performance of operatic or other related theatrical presentations;
- Assist financially or otherwise in the presentation, production, management or conduct of any theatrical or operatic production in this State;
- Promote public interest and participation in the art of the opera and related theatrical arts;
- Promote or commission the scoring and writing of operas and other theatrical works for operatic or theatrical performance; and
- Establish and conduct schools, courses, lectures, seminars and discussions on the art of the opera and related theatrical arts.

**1.3 Impact of COVID-19 pandemic on the Company**

The COVID-19 pandemic has impacted on the operations of the Company and the impacts are included under the relevant disclosure notes. The key impacts in 2021-22 were:

## STATE OPERA OF SOUTH AUSTRALIA

NOTES TO & FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING 30 June 2022

- In September 2021, two productions had to be postponed to May 2022. Travel restrictions affected the principals from inter-state and South Australia was still navigating changes within the State as a consequence of the pandemic. The September postponement and the May 2022 productions both resulted in significant sunk costs due to venue obligations, cover artists, continued isolation disruptions and loss of key production personnel leaving the industry.
- The Company continued to perform at an indoor venue capacity of 75% throughout 2021-22.

**1.4 Going concern**

The financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business activities and realisation of assets and settlement of liabilities in the ordinary course of business.

In June 2021, the Company entered into a Tripartite Funding Agreement 2021 to 2024 with Federal and State Governments, via the Australia Council for the Arts and Arts SA, confirming funding to the end of the 2024 calendar year. Due to the outbreak of COVID-19, the Australia Council for the Arts and Arts SA provided reporting and other grant condition relief, including removing requirements on meeting audience KPIs, varying the purposes and outcomes of funding and allowing funding to be repurposed to pay essential bills including salaries and wages, rent and utilities, which allowed funding to be retained to date.

The Company notes that uncertainty remains, including any potential further outbreaks of COVID-19, and fluctuating audience numbers allowed at performances. However, management and the board are confident that the dynamic management operating policies, business review measures implemented, and available cash are adequate to enable the Company to meet operating and financial commitments for at least the next 12 months should the operations be impacted by further COVID-19 disruptions.

For the above reasons, the directors have prepared the financial report on a going concern basis.

**2 Income**

The Company is jointly funded through the Multi-Partite Funding Agreement with the SA Government (Arts South Australia) and the Australian Federal Government (Australia Council for the Arts). In addition, the Company raises income from its performances, sponsorship, donations and investments.

Where there is an enforceable agreement with sufficiently specific performance obligations, revenue is recognised under AASB 15 which requires recognition when control of a promised good or service is passed to the customer at an amount which reflects the expected consideration.

AASB 1058 establishes principles for not-for-profit entities that apply to revenue streams which are either not enforceable or do not have sufficiently specific performance obligations to fall within AASB 15. AASB 1058 also applies to:

- transactions where the consideration to acquire an asset is significantly less than fair value principally to enable a not-for-profit entity to further its objectives; and
- the receipt of volunteer services.

If the consideration provided to acquire an asset, including cash, is significantly less than the fair value of that asset, or if no consideration was provided, and the difference is principally to enable the entity to further its objectives, such a transaction is within the scope of AASB 1058.

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability. Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed are net of goods and services tax (GST).

## STATE OPERA OF SOUTH AUSTRALIA

NOTES TO & FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING 30 June 2022

**2.1 Revenues from SA Government**

	2022	2021
	\$'000	\$'000
Revenues from SA Government	1,535	1,537
<b>Total Revenues from SA Government</b>	<b>1,535</b>	<b>1,537</b>

Total revenues from SA Government consist of \$1,535,000 (\$1,537,000) allocated to the Company, is for operational funding.

**Accounted for under AASB 1058**

The revenue received from the State Government of South Australia, through Arts SA, is allocated and paid within a financial year and recognised upon receipt.

**2.2 Commonwealth-sourced grants and funding**

	2022	2021
	\$'000	\$'000
Recurrent Grant	1,628	1,607
Grant for La Boheme production (ABC Broadcast)	369	-
Grant for When the Rain Stops Falling commissioning	75	-
<b>Total Commonwealth-sourced grants and funding</b>	<b>2,072</b>	<b>1,607</b>

**Accounted for under AASB 15**

Commonwealth funding is generally received from Australia Council for the Arts in the same calendar year that the funding is intended to relate to under the terms of the agreement. The funding bodies have the right to request unspent funds to be returned until such time as they are spent in accordance with the agreement. Where funding payments are received in advance, a financial liability will be recognised, representing the Company's contractual obligation to deliver cash in the event the funding bodies request it. The financial liability is derecognised and revenue is recognised as the funds are subsequently spent. The artistic program delivered by the Company is evenly spread throughout the season and funding is recognised in alignment with the delivery of the program.

**2.3 SA Government grants, subsidies and transfers**

	2022	2021
	\$'000	\$'000
Grant for Confident Conductor workshop	5	2
<b>Total SA Government grants, subsidies and transfers</b>	<b>5</b>	<b>2</b>

**Accounted for under AASB 15**

Grant revenue is allocated to each specific performance obligation in an amount that depicts the amount of consideration to which the entity expects to be entitled in exchange for completing each specific performance, program or activity.

Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating.

## STATE OPERA OF SOUTH AUSTRALIA

NOTES TO & FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING 30 June 2022**2.4 Sales of goods and services**

	2022 \$'000	2021 \$'000
Opera Academy and Education Workshops	9	-
Tell Tale Heart	16	-
Barber of Seville	474	-
Teddy Tahu Rhodes and Guy Noble	73	-
George Duncan Project	6	-
La Boheme	522	-
Songs for the Sea Recital	9	-
Turn of The Screw	130	-
Songs for a Day Recital	8	-
Voss	171	-
How to Kill Your Husband	1	-
2020-21 Productions	-	874
<b>Total Sales of goods and services</b>	<b>1,419</b>	<b>874</b>

**Accounted for under AASB 15**

The Company fulfils its performance obligation in relation to sales of goods and services at the point in time that the relevant production is performed. The transaction price is equal to the ticket sale price and is allocated entirely to the single performance obligation of completing the production. In most cases the ticket price is paid by the customer at the time of purchase.

**2.5 Interest and dividends**

	2022 \$'000	2021 \$'000
Investment with SAFA	3	3
Cash and cash equivalents	2	1
Dividends	28	15
<b>Total Interest and dividends</b>	<b>33</b>	<b>19</b>

**2.6 Resources received free of charge**

	2022 \$'000	2021 \$'000
Services received free of charge – Shared Services SA	5	5
<b>Total Resources received free of charge</b>	<b>5</b>	<b>5</b>

Resources received free of charge were subsequently expensed as supplies and services in Note 4.1, at fair value when consumed/used.

## STATE OPERA OF SOUTH AUSTRALIA

NOTES TO & FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING 30 June 2022

2.7 Other income	2022	2021
	\$'000	\$'000
Sponsorship	219	10
Donations and Bequests	619	267
Foundations	75	38
Insurance recovery	1	39
Sundry income	74	55
<b>Total Other income</b>	<b>988</b>	<b>409</b>

**Accounted for under AASB 15 - Sponsorship**

Typically, sponsorship agreements require the Company to provide specific benefits to the sponsor, such as the provision of concert tickets or acknowledgement of the sponsor in season materials, over a specified time period. This will be allocated to each specific performance obligation in an amount that depicts the amount of consideration to which the entity expects to be entitled in exchange for completing each specific performance, program or activity. The transaction price is considered to be the value of the sponsorship as specified in the agreement.

**Accounted for under AASB 15 - Foundations**

Foundation revenue is received from the James and Diana Ramsay Foundation and the Thora & Frank Pearce Opera Foundation, and relates to expenditure incurred for specific agreed program deliverables. The revenue is recognised as income over the periods necessary to match the foundation revenue to the costs for which they are compensating.

**Accounted for under AASB 1058 - Donations/Bequests**

Revenue from donations are generally recognised under AASB 1058 as cash payments or assets are received. An exception to this is where the Group receives a restricted legacy which is enforceable and sufficiently specific. In these cases, revenue is recognised under AASB 15 as the conditions are satisfied.

**3 Board, committees and employees****3.1 Key management personnel**

Key management personnel of the Company include the Premier, the Executive Director, the Artistic Director, the Chief Financial Officer and the Board. The position of Chief Financial Officer is a new position to the organisational structure of 2021-22.

Total compensation for key management personnel was \$449k in 2021-22 and \$349k in 2020-21.

The compensation disclosed in this note excludes salaries and other benefits the Minister receives. The Minister's remuneration and allowances are set by the *Parliamentary Remuneration Act 1990* and the Remuneration Tribunal of SA respectively and are payable from the consolidated account (via the Department of Treasury and Finance) under section 6 of the *Parliamentary Remuneration Act 1990*.

**Transactions with key management personnel and other related parties**

Other than the remuneration paid in 2021-22, there were no other transactions with key management personnel and other related parties during the year.



## STATE OPERA OF SOUTH AUSTRALIA

NOTES TO & FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING 30 June 2022

**3.2 Board and committee members**

Members during the 2022 financial year were:

**The State Opera of South Australia Board**

Mr John Irving (Chair)

Master Elizabeth Olsson

Mr Peter Michell

Dr Beata Byok

Ms Imelda Alexopoulos

Dr Thomas Millhouse

Mrs Polly Tembel

Mrs Jane Doyle (joined Jan 2022)

**Risk and Performance Committee**

Master Elizabeth Olsson (Chair)

Mr John Irving

Mr Peter Michell (dep. Dec 2021)

Dr Beata Byok

Ms Imelda Alexopoulos

Dr Thomas Millhouse

**Board and committee remuneration**

The board and committee members stated they would not accept a stipend for sitting on the Company's board.

**3.3 Employee benefits expenses**

	2022	2021
	\$'000	\$'000
Salaries and wages	1,651	1,248
Long service leave	(1)	14
Annual leave	13	12
Employment on-costs - superannuation	155	127
Employment on-costs - other	60	-
Workers compensation	84	10
Other employee related expenses	-	1
<b>Total Employee benefits expenses</b>	<b>1,962</b>	<b>1,412</b>

**Employment on-costs - superannuation**

The superannuation employment on-cost charge represents the Company's contributions to superannuation plans in respect of current services of current employees.

**Employment on-costs - other**

The other employment on-cost charge represents the Company's payroll tax expense. Due to reduced productions and corresponding lower levels of casual staff employed, the Company's payroll was below the payment threshold in 2020-21.

## STATE OPERA OF SOUTH AUSTRALIA

NOTES TO & FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING 30 June 2022

**Workers compensation**

As the Crown is self-insured, the liability for workers compensation is borne by the Company, as an instrumentality of the Crown. The provision is based on an actuarial assessment performed by the scheme actuary, PricewaterhouseCoopers (PwC), with apportionment modelled on factors such as claims experience, comparative size, and risk factors.

During 2021-22, ReturnToWorkSA (RTWSA) exhausted all avenues to challenge a decision of the Supreme Court of SA regarding the Summerfield decision, which has resulted in many more injured workers gaining access to higher than anticipated workers compensation entitlements. The flow on effect of the Summerfield decision is that there is a predicted material increase in liability from higher than projected seriously injured workers and lump sum payments under the Return To Work Act 2014.

The net impact on the valuation results in workers compensation expense increasing from \$10k (2020-21) to \$84k (2021-22) as a provision for potential claims under the new case law.

**Executive remuneration**

The number of employees whose remuneration received or receivable falls within the following bands:

\$157 001 to \$177 000

\$177 001 to \$197 000

**Total**

2022 No.	2021 No.
1	1
1	1
<b>2</b>	<b>2</b>

The total remuneration received by those employees for the year was \$356k in 2021-22 and \$349k in 2020-21.

The table includes all employees whose normal remuneration was equal to or greater than the base executive remuneration level during the year. Remuneration of employees reflects all costs of employment including salaries and wages, payments in lieu of leave, superannuation contributions, salary sacrifice benefits and fringe benefits and any fringe benefits tax paid or payable in respect of those benefits as well as any termination benefits for employees who have left the Company.

**3.4 Employee benefits liabilities****Current**

Accrued salaries and wages

Annual leave

**Total Current Employee benefits liabilities**

**Non-current**

Long service leave

**Total Non-current Employee benefits liabilities**

**Total Employee benefits liabilities**

2022 \$'000	2021 \$'000
36	50
67	55
<b>103</b>	<b>105</b>
14	14
<b>14</b>	<b>14</b>
<b>117</b>	<b>119</b>

Employee benefits accrue as a result of services provided up to the reporting date that remain unpaid. Long-term employee benefits are measured at present value and short-term employee benefits are measured at nominal amounts.

## STATE OPERA OF SOUTH AUSTRALIA

NOTES TO & FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING 30 June 2022**Salaries and wages, annual leave, and sick leave**

The liability for salary and wages is measured as the amount unpaid at the reporting date at remuneration rates current at the reporting date.

The annual leave liability in full is expected to be payable within 12 months and is measured at the undiscounted amount expected to be paid.

No provision has been made for sick leave as all special leave is non-vesting and the average sick leave taken in future years by employees is estimated to be less than the annual entitlement for sick leave.

**Long service leave**

The liability for long service leave is measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Details about the measurement of long service leave liability is provided as note 10.1.

**4 Expenses**

Employee benefits expenses are disclosed in note 3.3

**4.1 Supplies and services**

	2022 \$'000	2021 \$'000
Accommodation	232	223
Advertising and marketing	321	225
Consultants	55	111
Contractors - performers, creatives, technical	886	571
External accounting and bookkeeping	-	4
General administration and consumables	248	247
Information technology expenses	65	88
Legal costs	2	6
Minor works, maintenance and equipment	6	4
Production expense	1,262	495
Telecommunications	10	10
Travel	144	59
Venue hire and expenses	1,046	285
<b>Total Supplies and services</b>	<b>4,277</b>	<b>2,328</b>

**Accommodation**

The Company's accommodation is provided by the Department for Infrastructure and Transport, under Memoranda of Administrative Arrangement (MoAA), issued in accordance with Government-wide accommodation policies. These MoAA do not meet the definition of lease set out in AASB 16.

## STATE OPERA OF SOUTH AUSTRALIA

NOTES TO & FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING 30 June 2022**Consultants**

The number of consultancies and the dollar amount paid/payable (included in supplies and services expense) to consultants that fell within the following bands:

Below \$10 000

\$10 000 or above

**Total**

No	2022 \$'000	No	2021 \$'000
1	7	5	20
3	48	6	91
<b>4</b>	<b>55</b>	<b>11</b>	<b>111</b>

**General administration and consumables**

Audit fees paid / payable to the Auditor-General's Department relating to work performed under the Public Finance and Audit Act 1987 were \$26k (\$30k). No other services were provided by the Auditor General's Department.

**4.2 Depreciation and amortisation**

	2022 \$'000	2021 \$'000
Production equipment	9	10
Furniture and equipment	2	3
Computer equipment	13	6
Intangible assets	10	10
<b>Total Depreciation and amortisation</b>	<b>34</b>	<b>29</b>

All non-current assets not held for sale with a limited useful life are systematically depreciated/amortised over their useful lives in a manner that reflects the consumption of their service potential.

The Company assessed the Australian Opera Digital Library (AODL), an intangible asset created in 2021-22, as having an indefinite useful life, and has therefore not been amortised. Its useful life will be reviewed each reporting period to determine whether events and circumstances continue to support an indefinite useful life assessment for the asset. If they do not, the change in the useful life assessment from indefinite to finite will be accounted for as a change in an accounting estimate.

**Useful life**

Depreciation and amortisation are calculated on a straight-line basis. Property, plant and equipment and intangible assets depreciation and amortisation are calculated over the estimated useful life as follows:

Class of asset	Useful life (years)
Production equipment	5-20
Furniture and equipment	5-10
Computer equipment	3
Intangible assets	5

Depreciation and amortisation methods are reviewed annually.

## STATE OPERA OF SOUTH AUSTRALIA

NOTES TO & FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING 30 June 2022

**Review of accounting estimates**

Assets' residual values, useful lives and amortisation methods are reviewed and adjusted, if appropriate, on an annual basis. Changes in the expected life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the time period or method, as appropriate.

**4.3 Other expenses**

Property, plant and equipment write-offs

**Total Other expenses**

2022	2021
\$'000	\$'000
-	1
-	1

**4.4 Share of results of associates**

Share of The Opera Conference losses

**Total Share of results of associates**

2022	2021
\$'000	\$'000
79	76
79	76

The loss represents the Company's 20% interest in The Opera Conference Partnership.  
For further information refer to Note 6.4 Investments in associates.

## STATE OPERA OF SOUTH AUSTRALIA

NOTES TO & FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING 30 June 2022

**5 Non-financial assets**

The Company holds sufficient assets to deliver and administer its program of performances.

**5.1 Property, plant and equipment**

Property, plant and equipment comprises tangible assets owned and right-of-use (leased) assets. The assets presented below do not meet the definition of investment property.

	2022 \$'000	2021 \$'000
<b>Production equipment</b>		
Production equipment at cost (deemed fair value)	217	217
Accumulated depreciation at the end of the period	(184)	(175)
<b>Total Production equipment</b>	<b>33</b>	<b>42</b>
<b>Furniture and equipment</b>		
Furniture and equipment at cost (deemed fair value)	50	49
Accumulated depreciation at the end of the period	(41)	(39)
<b>Total Furniture and equipment</b>	<b>9</b>	<b>10</b>
<b>Computer equipment</b>		
Computer equipment at cost (deemed fair value)	114	112
Accumulated depreciation at the end of the period	(87)	(78)
<b>Total Computer equipment</b>	<b>27</b>	<b>34</b>
<b>Total Property, plant and equipment</b>	<b>69</b>	<b>86</b>

Plant and equipment with a value equal to or in excess of \$1k is capitalised, otherwise it is expensed. Plant and equipment owned by the Company is recorded at fair value.

**Impairment**

There are no indicators of impairment at 30 June 2022.

**Reconciliation 2021-22**

	Production equipment \$'000	Furniture and equipment \$'000	Computer equipment \$'000	Total \$'000
Carrying amount at the beginning of year	42	10	34	86
Additions	-	1	6	7
Disposals (sales, write off's etc)	-	-	-	-
Depreciation expense	(9)	(2)	(13)	(24)
<b>Carrying amount at the end of the year</b>	<b>33</b>	<b>9</b>	<b>27</b>	<b>69</b>

Computer equipment, with an original cost of \$4k and zero net book value, was written off in 2021-22.

## STATE OPERA OF SOUTH AUSTRALIA

NOTES TO & FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING 30 June 2022

## 5.2 Intangible assets

	2022 \$'000	2021 \$'000
<b>Purchased computer software</b>		
Purchased computer software at cost (deemed fair value)	111	51
Accumulated amortisation at the end of the period	(39)	(29)
<b>Total Intangible assets</b>	<b>72</b>	<b>22</b>

Intangible assets are initially measured at cost and are tested for indications of impairment at each reporting date. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and any accumulated impairment losses.

The acquisition of or internal development of software is capitalised only when the expenditure meets the definition and recognition criteria and when the amount of expenditure is greater than or equal to \$5k.

## Reconciliation 2021-22

	Purchased computer software \$'000	Total \$'000
Carrying amount at the beginning of year	22	22
Additions	60	60
Amortisation expense	(10)	(10)
<b>Carrying amount at the end of the year</b>	<b>72</b>	<b>72</b>

## 6 Financial assets

## 6.1 Categorisation of financial assets

	2022 Carrying amount \$'000	2021 Carrying amount \$'000
<b><u>Financial assets</u></b>		
<b>Cash and equivalents</b>		
Cash and cash equivalents	2,926	2,783
<b>Financial assets at amortised cost</b>		
Receivables	289	84
Other financial assets	432	454
<b>Total Financial assets</b>	<b>3,647</b>	<b>3,321</b>

Receivables as disclosed in this note does not include statutory amounts as these are not financial instruments.

## STATE OPERA OF SOUTH AUSTRALIA

NOTES TO & FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING 30 June 2022**6.2 Cash and cash equivalents**

	2022	2021
	\$'000	\$'000
Short term deposits	2,605	2,516
Cash at bank	321	265
Cash on hand	-	2
<b>Total Cash and cash equivalents</b>	<b>2,926</b>	<b>2,783</b>

Short-term deposits are made for varying periods of between one day and three months. The deposits are lodged with the South Australian Government Financing Authority and private sector financial institutions and earn interest at the respective short-term deposit rates. The deposits include \$2.5m (\$2.4m) deposited with SAFA. All other accounts are deposited with private sector financial institutions.

**6.3 Receivables****Current****Trade receivables**

From non-government entities

**Total Trade receivables**

Prepayments

Accrued revenues

**Total Current Receivables****Non-current**

Prepayments

**Total Non-current Receivables****Total Receivables**

	2022	2021
	\$'000	\$'000
	14	10
<b>14</b>	<b>10</b>	
	337	450
	275	74
<b>626</b>	<b>534</b>	
	189	-
<b>189</b>	<b>-</b>	
<b>815</b>	<b>534</b>	

Trade receivables arise in the normal course of selling goods and services to other government agencies and to the public. Trade receivables are normally settled within 30 days after the issue of an invoice or the goods/services have been provided under a contractual arrangement.

The net amount of GST recoverable from the ATO is included as part of receivables.

Receivables, prepayments and accrued revenues are non-interest bearing. Receivables are held with the objective of collecting the contractual cash flows and they are measured at amortised cost.

***Allowance for impairment loss on receivables***

Due to the minimal level of receivables held and timely basis in which they are settled, it has been determined that there is no impairment of receivables. The carrying amount of receivables approximates net fair value due to being receivable on demand. There is no concentration of credit risk.



## STATE OPERA OF SOUTH AUSTRALIA

NOTES TO & FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING 30 June 2022

**6.4 Other financial assets**

	2022	2021
	\$'000	\$'000
<b>Non-current</b>		
Shares and units held in listed entities	432	454
<b>Total Non-current Other financial assets</b>	<b>432</b>	<b>454</b>

**6.5 Investments in associates**

	2022	2021
	\$'000	\$'000
<b>Non-current</b>		
Investments in associates	215	142
<b>Total Non-current investments</b>	<b>215</b>	<b>142</b>

***Investments in associates***

Under the Multi-Partite Funding Agreement with Australia Council for the Arts, the Company is awarded additional funding to be invested in an arrangement with Opera Australia, Opera Queensland and Western Australian Opera (known as The Opera Conference) to contribute towards local artist development. This funding is treated as partners' capital in the partnership financial statements and the losses are allocated to each partner.

The Company has a 20% financial interest in The Opera Conference Partnership and is considered to have significant influence over its operations.

In accordance with AASB 128, this investment has been accounted for using the equity method and has been tested for indications of impairment at the reporting date.

The audited financial statements of The Opera Conference Partnership have been relied upon to account for this investment in associates. Due to the impacts of COVID-19, the partnership ceased the majority of operations and therefore have no significant transaction or events to record.

Summarised financial information for The Opera Conference is set out below:

	2022	2021
	\$'000	\$'000
Cash and cash equivalents	1,527	376
Receivables <sup>a</sup>	45	366
<b>Total assets</b>	<b>1,572</b>	<b>742</b>
Payables <sup>b</sup>	499	30
<b>Total net assets</b>	<b>1,073</b>	<b>712</b>
<b>Equity partner share (20%)</b>	<b>215</b>	<b>142</b>
Cash contribution (between partnership and company reporting dates)	-	-
<b>Investment in associate</b>	<b>215</b>	<b>142</b>

a Includes \$365k receivable from Opera Australia for tranche of funding in 2020-21.

b Includes \$487k payable to Opera Australia in 2021-22.

## STATE OPERA OF SOUTH AUSTRALIA

NOTES TO & FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING 30 June 2022**7 Liabilities**

Employee benefits liabilities are disclosed in note 3.4.

**7.1 Categorisation of financial liabilities****Financial liabilities****Financial liabilities at amortised cost**

Payables

**Total Financial liabilities**

2022	2021
Carrying amount	Carrying amount
\$'000	\$'000
19	120
<b>19</b>	<b>120</b>

Payables as disclosed in this note does not include statutory amounts as these are not financial instruments.

**7.2 Payables****Current****Payables**

Trade payables

Credit cards payable

Accrued expenses

**Total Payables****Statutory Payables**

Accrued expenses

GST payable

Employment on-costs

**Total Statutory Payables****Total Current Payables**

2022	2021
\$'000	\$'000
13	96
6	24
7	66
<b>26</b>	<b>186</b>
32	31
82	43
40	41
<b>154</b>	<b>115</b>
<b>180</b>	<b>301</b>

Payables and accruals are raised for all amounts owing but unpaid. Sundry payables are normally settled within 30 days from the date the invoice is first received. All payables are non-interest bearing. The carrying amount of payables represents fair value due to their short-term nature.

The net amount of GST payable to the ATO is included as part of payables.

## STATE OPERA OF SOUTH AUSTRALIA

NOTES TO & FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING 30 June 2022**Employment on-costs**

Employment on-costs include payroll tax, ReturnToWorkSA levies and superannuation contributions and are settled when the respective employee benefits that they relate to is discharged.

The Company contributes to several State Government and externally managed superannuation schemes. These contributions are treated as an expense when they occur. There is no liability for payments to beneficiaries as they have been assumed by the respective superannuation schemes. The only liability outstanding at reporting date relates to any contributions due but not yet paid to the South Australian Superannuation Board or other superannuation schemes.

The Company has no staff who are entitled to long-service leave or pro-rata thereof, and the only provision in relation to long service leave takes into account the probability of payment in these particular circumstances. The average factor for the calculation of employer superannuation cost on-costs has changed from the 2021 rate of 10.1% to 10.6%. These rates are used in the employment on-costs calculation. The net financial effect of the changes in the current financial year is immaterial.

**7.3 Contract liabilities**

	2022	2021
	\$'000	\$'000
<b>Current</b>		
Advance box office	304	81
Advance sponsorship	2	37
Advance grants	1,653	885
Advance others	-	88
<b>Total Current Contract liabilities</b>	<b>1,959</b>	<b>1,091</b>

Box office income \$304k (\$81k) was deferred until the future periods in which the productions occur.

Sponsorship income \$2k (\$37k) was deferred until the following financial year to the period of the production per the sponsorship agreement.

Grant income \$1,653k (\$885k) received at the end of 2021-22 from the Australian Council for the Arts, Arts SA and from the Restart Investment to Sustain and Expand (RISE) Fund was provided to support the Company's future programs.

Other unearned income of \$88k at the end of 2020-21 includes funding for the Helpmann Academy Fellowship, Artist Development Program, and other minor future program funds.

**7.4 Provisions**

	2022	2021
	\$'000	\$'000
<b>Current</b>		
Provision for workers compensation	24	3
<b>Total Current Provisions</b>	<b>24</b>	<b>3</b>
<b>Non-current</b>		
Provision for workers compensation	70	7
<b>Total Non-current Provisions</b>	<b>70</b>	<b>7</b>
<b>Total Provisions</b>	<b>94</b>	<b>10</b>

## STATE OPERA OF SOUTH AUSTRALIA

NOTES TO & FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING 30 June 2022**Employment on-costs**

Carrying amount at the beginning of year	10	-
Movement in provisions	84	10
<b>Carrying amount at the end of year</b>	<b>94</b>	<b>10</b>

A provision has been reported to reflect unsettled workers compensation claims. The workers compensation provision is based on an actuarial assessment of the outstanding liability as at 30 June 2022 provided by a consulting actuary engaged through the Office of the Commissioner for Public Sector Employment. The provision is for the estimated cost of ongoing payments to employees as required under current legislation. Refer to Note 3.3 for further explanation regarding the current year provision.

The Company is responsible for the payment of workers compensation claims.

**8 Other disclosures****8.1 Equity**

Equity consists of accumulated surpluses from the ordinary business operations of the Company and restricted reserves.

**Future productions reserve**

In line with the Company's Reserves and Investment Policy, the future productions reserve ringfences surpluses over and above 20% unrestricted reserves which are to be maintained in accordance with the Multi-Partite Funding Agreement with the SA Government (Arts South Australia) and the Australian Federal Government (Australia Council for the Arts).

These funds are allocated at the end of each financial year, based on the greater of actual expenses in the current year and budgeted expenses for the year ahead, and are to be used on the commissioning, creation and/or delivery of an operatic production in subsequent years, rather than for general use.

**Significant bequests reserve**

In line with the Company's bequest management policy, the Significant Bequests Reserve ringfences unrestricted receipts in excess of \$10,000 for asset investment purposes.

Accumulated bequest gifts are to be used for the specific purpose of financing the creation, development, improvement, purchase and maintenance of assets with a lifespan of at least 10 years belonging to the Company.

In 2021-22, the Company invested \$60,275 in the creation of an Australian Opera Digital Library (AODL) available for education purposes. The AODL forms part of the Company's legacy and, since its intrinsic value is not lost over time, it will forever maintain value as an asset in the books of account.

## STATE OPERA OF SOUTH AUSTRALIA

NOTES TO & FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING 30 June 2022

**Reserves Incentive Scheme funds reserve**

The Company entered into an agreement, known as the *Reserves Incentive Scheme Funding Agreement*, with the Australia Council and Arts SA during 2009-10. The Scheme is designed to encourage and assist the Major Performing Arts companies to strengthen their Statement of Financial Position by building reserves to a level that is sufficient to underpin their financial health.

The funds received under the Agreement must be placed in escrow and can only be released under certain circumstances, which are set out in the Agreement, which includes the Company making a formal submission, signed by the Board Chair, to Arts SA and the Australia Council.

These funds are short term deposits which are held with the South Australian Government Financing Authority (SAFA).

**Trust funds reserve**

*Diana Ramsay Fund and the Thora and Frank Pearce Opera Foundation* reflect Trust funds held and controlled by the Company.

**Trust funds**

The State Opera of South Australia holds funds in a trustee capacity. These funds are included in the financial statements as cash and investments as they are effectively controlled by the Company.

The State Opera administers the *Thora and Frank Pearce Opera Foundation*, established in August 1999, and the *Diana Ramsay Fund*, established in November 2001. The Foundation and the Fund are both financed by public donations. All funds are to be used exclusively for cultural purposes associated with opera.

**Thora and Frank Pearce Opera Foundation**

Balance at the beginning of year

Interest revenue

**Total Thora and Frank Pearce Opera Foundation**

*Represented by:*

Cash and cash equivalents

**Total Thora and Frank Pearce Opera Foundation****Diana Ramsay Fund**

Balance at the beginning of year

Dividend income

Interest revenue

Distribution for surtitles

Changes in market value of investments

**Total Diana Ramsay Fund**

	2022 \$'000	2021 \$'000
	205	205
	-	-
	<b>205</b>	<b>205</b>
	205	205
	<b>205</b>	<b>205</b>
	911	797
	28	15
	1	1
	(69)	-
	(26)	98
	<b>845</b>	<b>911</b>

## STATE OPERA OF SOUTH AUSTRALIA

NOTES TO & FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING 30 June 2022*Represented by:*

Cash and cash equivalents	413	457
Other financial assets	432	454
<b>Total Diana Ramsay Fund</b>	<b>845</b>	<b>911</b>
<b>Total Trust funds</b>	<b>1,050</b>	<b>1,116</b>

**8.2 Cash flow**

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the ATO is classified as part of operating cash flows.

**9 Outlook****9.1 Unrecognised commitments**

Commitments include operating, capital and outsourcing arrangements arising from contractual sources and are disclosed at their nominal value.

***Expenditure commitments***

	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Within one year	224	220
Later than one year but not longer than five years	231	455
<b>Total unrecognised Expenditure commitments</b>	<b>455</b>	<b>675</b>

The Company's expenditure commitments are for agreements for:

- memoranda of administrative arrangements with the Department for Infrastructure and Transport for accommodation at the Netley Opera Studio, which is used primarily as the business centre and rehearsal studio, as well as occasional performances and storage. This lease terminates on 11 June 2024.

***Production related commitments***

	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Within one year	496	443
Later than one year but not longer than five years	32	-
<b>Total unrecognised Production related commitments</b>	<b>528</b>	<b>443</b>

The Company, by the nature of its operations, has entered into contracts with artists for performances scheduled to take place subsequent to the year end. The terms and conditions of the contracts may also place a liability on the Company to pay some or all of these amounts should the artist not be engaged, hired scenery, or costumes not used.

These commitments have been made on the basis that ongoing funding will continue from the State and Federal Governments at an appropriate level.

## STATE OPERA OF SOUTH AUSTRALIA

NOTES TO & FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING 30 June 2022**9.2 Contingent assets and liabilities**

Contingent assets and contingent liabilities are not recognised in the Statement of Financial Position, but are disclosed by way of a note and, if quantifiable, are measured at nominal value.

The Company is not aware of any contingent assets or contingent liabilities.

**9.3 Events after the reporting period**

There has not arisen in the interval between the end of the financial year and the date of this report, any other item, transaction or event of a material and unusual nature likely, in the opinion of the Company, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company in subsequent financial years.

**10 Measurement and risk****10.1 Long Service Leave Liability - Measurement**

AASB 119 *Employee Benefits* contains the calculation methodology for long service leave liability and requires the use of the yield on long-term Commonwealth Government bonds as the discount rate in the measurement of the long service leave liability. The yield on long-term Commonwealth Government bonds has increased from 2021 (1.25%) to 2022 (3.5%).

This increase in the bond yield, which is used as the rate to discount future long service leave cash flows, results in an immaterial increase in the reported long service leave liability.

The salary inflation rate remained at 2.5% for the assessment of long service leave liability. As a result, there is no net financial effect resulting from changes in the salary inflation rate.

The probability of payments are based on the realistic expectation of staff reaching entitlement date based on current staff turnover, age and other commercial factors as advised by an external consultant in Public Practice.

The Company has no current unconditional portion of long service leave provision as it relates to an unconditional legal entitlement to payment arising after 10 years of service.



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## To the Chair, Board of Management State Opera of South Australia

### Opinion

I have audited the financial report of the State Opera of South Australia for the financial year ended 30 June 2022.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the State Opera of South Australia as at 30 June 2022, its financial performance and its cash flows for the year then ended in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards - Simplified Reporting Requirements.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2022
- a Statement of Financial Position as at 30 June 2022
- a Statement of Changes in Equity for the year ended 30 June 2022
- a Statement of Cash Flows for the year ended 30 June 2022
- notes, comprising material accounting policies and other explanatory information
- a Certificate from the Interim Executive Director and Chair, Board of Management and the Chief Financial Officer.

### Basis for opinion

I conducted the audit in accordance with the *Public Finance and Audit Act 1987* and Australian Auditing Standards. My responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial report' section of my report. I am independent of the State Opera of South Australia. The *Public Finance and Audit Act 1987* establishes the independence of the Auditor-General. In conducting the audit, the relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* have been met.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.



## **Responsibilities of the Interim Executive Director and the Board for the financial report**

The Interim Executive Director is responsible for the preparation of the financial report that gives a true and fair view in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and the Australian Accounting Standards - Simplified Reporting Requirements, and for such internal control as management determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Interim Executive Director is responsible for assessing the entity's ability to continue as a going concern, taking into account any policy or funding decisions the government has made which affect the continued existence of the entity. The Interim Executive Director is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

The Board is responsible for overseeing the entity's financial reporting process.

## **Auditor's responsibilities for the audit of the financial report**

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and section 18(3) of the *State Opera of South Australia Act 1976*, I have audited the financial report of the State Opera of South Australia for the financial year ended 30 June 2022.

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the State Opera of South Australia's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Interim Executive Director
- conclude on the appropriateness of the Interim Executive Director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify the opinion. My conclusion is based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

My report refers only to the financial report described above and does not provide assurance over the integrity of electronic publication by the entity on any website nor does it provide an opinion on other information which may have been hyperlinked to/from the report.

I communicate with the Interim Executive Director and the Chair, Board of Management about, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during the audit.



Daniel O'Donohue  
**Assistant Auditor-General (Financial Audit)**

16 September 2022